

## **CORRECTED FISCAL NOTE**

### **SB 3170 - HB 3575**

March 22, 2006

**SUMMARY OF BILL:** Authorizes manufacturing distributors, wholesale dealers, and jobbers of tobacco products to deduct the amount of bad debts incurred from their tobacco tax liability. Deductions must be supported by (1) a copy of the original invoice, (2) evidence that the tobacco products described in the invoice were delivered to the person who ordered them, and (3) evidence that the person who ordered and received the tobacco products did not pay the manufacturing distributor, the wholesale dealer, or jobber for the tobacco products.

#### **ESTIMATED FISCAL IMPACT:**

On March 17, 2006, we issued a fiscal note indicating a decrease to state revenues exceeding \$100,000. Based on additional information, the estimated fiscal impact of this bill is:

#### **(CORRECTED)**


**Decrease State Revenues – Exceeds \$10,000**

#### **Assumptions:**

- The fiscal impact of this bill is dependent upon (1) the number of manufacturing distributors, wholesale dealers, or jobbers of tobacco products that have incurred losses as a result uncollectible accounts, (2) the financial extent of each loss, (3) whether or not each loss has been confirmed against the required supporting documentation, and (4) the extent to which any loss is eventually recovered and the tobacco tax is ultimately paid.
- Determining a precise fiscal impact to this bill is difficult. However, the decrease to state revenues is estimated to exceed \$10,000.
- This act shall take effect on July 1, 2006.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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